



City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor
Floyd Petersen, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: October 26, 2004

TO: City Council

VIA: Dennis R. Holloway, City Manager 

FROM: Jarb Thaipejr, Public Works Director/City Engineer 

SUBJECT: Landscape Maintenance District No. 1, Annexation 56
Tract Map No. 15917, Gardner Brothers - Parkside

RECOMMENDATION

This is an informational report only, no recommendation is provided.

BACKGROUND

On September 8, 1998 the City Council approved Tentative Tract Map No. 15917 subject to Conditions of Approval. Annexation into the Landscape Maintenance District (LMD) was one of the conditions. On March 9, 1999, the City Council approved Resolution No. 2060, initiating proceedings for the annexation of the subject tract into Landscape Maintenance District No. 1 pursuant to the Landscaping and Lighting Act of 1972 and the Right to Vote on Taxes Act. A public hearing was set for May 11, 1999 to receive and tabulate all ballots with reference to the Annexed area pursuant to the Right to Vote on Taxes Act. An Engineer's Report was presented providing a detailed description of the improvements, the method of assessments with proposed increases and district boundary. The owner waived the notice of public hearing. City Council therefore adopted Council Bill No. R-99-18 that approved the Engineer's Report, ordered the Annexation of the property into the LMD, approved the assessments for Fiscal Year (FY) 1999-00 and ordered assessments and collection of assessments for FY 1999-00. The assessment includes Direct Costs, which consist of maintenance costs, utilities, and repairs and Administrative Costs, which consist of personnel, professional services, insurance and deficit. There are 58 parcels to be assessed in this annexation. This annexation receives an annual increase of the assessment based on the annual Consumer Price Index (CPI). The CPI fluctuates between 2.3 and 3 per cent.

During the time the Developer constructed and maintained the improvements this annexation was allowed as a self-maintenance status, allowing for the collection of the administrative costs only. In October of 2002, the Developer, nearing completion of the project, was reminded of his obligation to maintain the improvements for a period of one-year after City acceptance. The Developer refused to accept his responsibility and referred our claim to his surety company. The Developer stated that the City of Loma Linda had accepted the improvements and he would maintain the improvements for 90-day period only. The Developer further stated that he would not pay his outstanding water account of \$5,012.51, until his surety bonds were released. To date the City has not officially accepted these improvements nor released the bonds. Due to the

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amounts involved, time required, uncertainty of outcome and actual financial award and payment we were advised to defer pursuing litigation on the LMD related issues. The water billing is handled by the Finance Department.

While we attempted to gain compliance from the Developer, the landscaping became overgrown causing homeowners to complain. Staff looked for ways to creatively provide some level of maintenance with very limited resources. As noted in previous staff reports the LMD is \$50,000 in deficit. We used a combination of City forces, weekend work release forces, contractor services and a deferred or delayed maintenance/replacement strategy until we could include this annexation in the FY report and assessment. On July 13, 2004, the City Council approved Resolution No. 2344 ordering the continued maintenance of LMD No. 1 pursuant to the 2004-2005 annual engineer's report. This is the first year this annexation has been included in the full assessment. It takes the County Tax Collector several months to process the payments and transfer them to the City.

ANALYSIS

The annexation budget and brief description of items from the approved 1999 engineer's report are as follows:

Direct Costs

\$16,988	Maintenance Costs – includes regularly scheduled labor and general maintenance costs and contract services.
\$ 2,589	Utilities – water and electricity required.
\$ 90	Repairs – repairs to the improvements not included in regular maintenance, i.e. damage due to storms or vandalism. Planned upgrades or replacements.

Administrative Costs

\$ 1553	Administration - administrative and professional service associated with coordination of the District including response to public concerns and education, procedures associated with the levy and collection of assessment and cost for the County to collect the assessment.
\$ 125	Professional Services – contract services specific to the levy of assessments and annual administration of the District.

Total cost is \$21,345, which has been adjusted annually per the CPI since FY 2000/01. The current amount is \$24,498.62. The homeowners may privately form a Home Owners Association then request to be returned to a self-maintenance status.

FINANCIAL IMPACT

Funding from assessment, \$24,498.62, will cover the costs associated with this annexation.